

## AFFIDAVIT AND REVENUE CERTIFICATION

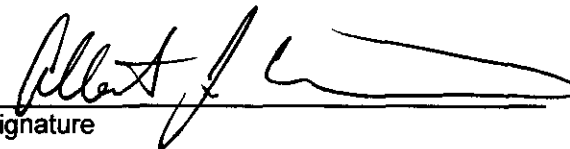
East Cameron Port, Harbor, & Terminal District  
Cameron Parish  
Cameron, Louisiana

**ANNUAL SWORN FINANCIAL STATEMENT AND  
CERTIFICATION OF REVENUES \$50,000 OR LESS**

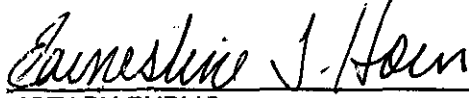
The annual sworn financial statements are required by Louisiana Revised Statute 24: 514 to be filed with the Legislative Auditor within 90 days after the close of the fiscal year. The certification of revenues \$50,000 or less, if applicable, as required by Louisiana Revised Statute 24:513(1)(1)(c)(i).

\*\*\*\*\*  
Personally came and appeared before the undersigned authority, Leslie Griffith, who, duly sworn, deposes and says that the financial statements herewith given present fairly the financial position of East Cameron Port, Harbor, & Terminal District as of December 31, 2004, and the results of operations for the year ended, in accordance with the basis of accounting described within the accompanying financial statements.

In addition, Albert Crain, who, duly sworn deposes and says that East Cameron Port, Harbor & Terminal District received \$50,000 or less in revenues and other sources for the year ended December 31, 2004, and accordingly, is not required to have an audit for the previously mentioned year.

  
Signature

Sworn to and subscribed before me this 30<sup>th</sup> day of March, 2005.



NOTARY PUBLIC

\*\*\*\*\*  
EARNESTINE T. HORN  
ID # 50259  
COMMISSION EXPIRES AT  
DEATH

Please Complete this Section:

Officer Name \_\_\_\_\_

Title \_\_\_\_\_

Address \_\_\_\_\_

City, State, Zip \_\_\_\_\_

Telephone No. \_\_\_\_\_

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 5-04-05

**EAST CAMERON PORT, HARBOR AND TERMIAL DISTRICT**  
**Cameron, Louisiana**  
**ALL FUND TYPES AND ACCOUNT GROUPS**

Statement A

Balance Sheet, December 31, 2004

	GOVERNMENTAL FUND TYPE- GENERAL FUND	ACCOUNT GROUP- GENERAL FIXED ASSETS	TOTAL (MEMORANDUM ONLY)
<b>ASSETS</b>			
Cash and cash equivalents	\$929,831		\$929,831
Land		\$1,000,000	\$1,000,000
<b>TOTAL ASSETS</b>	<b>\$929,831</b>	<b>\$1,000,000</b>	<b>\$1,929,831</b>
<b>LIABILITIES AND FUND EQUITY</b>			
Liabilities	NONE	NONE	NONE
Fund Equity:			
Investment in general fixed assets		\$1,000,000	\$1,000,000
Fund balance – unreserved – undesignated	\$929,831		\$929,831
<b>Total Fund Equity</b>	<b>\$929,831</b>	<b>\$1,000,000</b>	<b>\$1,929,831</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$929,831</b>	<b>\$1,000,000</b>	<b>\$1,929,831</b>

The accompanying notes are an integral part of this statement.

**EAST CAMERON PORT, HARBOR AND TERMIAL DISTRICT**  
**Cameron, Louisiana**  
**ALL FUND TYPES AND ACCOUNT GROUPS**

Statement B

Statement of Revenues, Expenditures, and  
Changes in Fund Balance  
For the Year Ended December 31, 2004

**REVENUES**

Use of money and property – interest earnings	\$8,928
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**EXPENDITURES**

Current – public works – operating expenses	\$14,737
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<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>(\$5,809)</b>
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<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<b>\$935,640</b>
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<b>FUND BALANCE AT END OF YEAR</b>	<b>\$929,831</b>
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The accompanying notes are an integral part of this statement.

**EAST CAMERON PORT, HARBOR, AND TERMINAL DISTRICT**  
Cameron, Louisiana

Notes to the Financial Statements  
As of and for the Year Ended December 31, 2004

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

East Cameron Port, Harbor, and Terminal District was created under Louisiana Revised Statute 34:2501. The district has all the rights, privileges, and immunities granted to corporations in Louisiana. The district is governed by a five-member board of commissioners who are appointed by the Cameron Parish Police Jury and who serve without compensation. The board of commissioners has the power to regulate the commerce and traffic of the district in such a manner as will be in the best interest of the state.

**REPORTING ENTITY**

As the governing authority of the parish, for reporting purposes, the Cameron Parish Police Jury is the financial reporting entity for Cameron Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Cameron Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and:
  - a. The ability of the police jury to impose its will on the organization and/or;
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or the significance of the relationship.

Because the police jury appoints all board members of the district and can impose its will on the district, the district was determined to be a component unit of the Cameron Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the district and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

**FUND ACCOUNTING**

The district uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities (general fixed assets and general ledger long-term debt) that are not recorded in the "funds" because they do not directly affect net expendable available financial resources. They are concerned only with the measurement of financial position, not with the measurement of results of operations.

Funds are classified into three categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or fees. Fiduciary funds are used to account for assets held for others. The district's current operations require the use of only governmental funds (General Fund). All financial resources of the district are accounted for in this fund. General operating expenditures are paid from this fund.

#### **FIXED ASSETS AND LONG-TERM DEBT**

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures (capital outlay) in the General Fund and the related assets are reported in the general fixed assets account group. The only fixed asset of the district, a 3.7-mile channel, is valued at historical cost. No depreciation has been provided on this general fixed asset.

The account group is not a fund. It is concerned only with the measurement of financial position and does not involve measurement of result of operations. The district has no long-term debt at December 31, 2004.

#### **BASIS OF ACCOUNTING**

Current operations dictate that revenues and expenditures be reported under the cash basis of accounting.

##### *Revenues*

Interest income on interest bearing demand deposits is recorded at the end of the month when credited by the bank. Interest income on time deposits is recorded when the time deposits have matured and the interest is available.

##### *Expenditures*

Expenditures are generally recognized under the cash basis of accounting when the related fund liability is paid.

#### **BUDGET PRACTICES**

Louisiana law exempts all special districts created before December 31, 1974, from the requirements of the Local Government Budget Act. East Cameron Port, Harbor, and Terminal District was created in 1962 and, accordingly, is exempt from the budgetary requirements. Management has determined that, due to the amount and nature of the expenditures, the

adoption of a budget is not required for control purposes. Accordingly, the district did not adopt a budget for the year ended December 31, 2004; therefore, the accompanying financial statements do not include a comparison of revenues and expenditures to budget.

#### CASH AND CASH EQUIVALENTS

Under state law, the district may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The district may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal office in Louisiana. At December 31, 2004, the district has cash and cash equivalents (book balances) totaling \$929,831 as follows:

Demand deposits	\$ 29,831
Money market accounts	900,000
	<hr/>
Total	\$ 929,831
	<hr/>

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. Cash and cash equivalents (bank balances) at December 31, 2004, are secured as follows:

Bank Balances	\$ 929,831
	<hr/>
Federal deposit insurance	\$ 200,000
Pledged securities (uncollateralized)	877,496
	<hr/>
Total	\$1,077,496
	<hr/>

Because the pledged securities are held by a custodial bank in the name of the fiscal agent bank rather than the name of the district, they are considered uncollateralized (Category 3) under the provisions of GASB Codification C20.106; however, Louisiana Revised Statute 39:1229 imposed a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the district that the fiscal agent has failed to pay deposited funds upon demand.

#### VACATION/SICK LEAVE POLICY AND PENSION PLAN

The district has no employees; therefore, the district does not have a formal policy on vacation and sick leave and does not contribute to a pension plan.

#### RISK MANAGEMENT

The district is exposed to various risk of loss related to torts; thefts of, damage to, and destruction of assets; and errors and omissions. To handle such risk of loss, the district maintains commercial insurance policies covering general liability and surety bond coverage. No claims were

paid on any of the policies during the past three years which exceeded the policies' coverage amount.

#### TOTAL COLUMN ON BALANCE SHEET

The total column on the balance sheet is captioned Memorandum Only (overview) to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

#### 2. LITIGATION AND CLAIMS

The district has been named in a lawsuit, along with the Cameron Parish Police Jury, as of December 31, 2004, the Cameron Parish District Attorney's Office is defending the East Cameron Port in this claim. A letter from the district attorney concerning this possible litigation accompanies this report.

JENNIFER JONES  
FIRST ASSISTANT  
W. THOMAS BARRETT, III  
ASSISTANT

WILLIAM J. DAIGLE  
VICTIM ASSISTANCE  
COORDINATOR

**Cecil R. Samner**  
**District Attorney**  
THIRTY-EIGHTH JUDICIAL DISTRICT  
CAMERON PARISH



NORTH COURTHOUSE SQUARE  
POST OFFICE DRAWER 280  
CAMERON, LA 70631  
337/775-5713  
FAX 337/775-8152

WEST CAMERON OFFICE  
1226 MAIN STREET  
HACKBERRY, LA 70645  
337/762-3761  
FAX 337/762-3759

April 22, 2005

Little & Associates  
P.O. Box 4058  
Monroe, LA 71211-4058

Re: Cameron Parish Police Jury  
P.O. Box 368  
Cameron, Louisiana 70631  
**Annual Audit - 2004**

Dear Sir:

With regard to the year ending December 31, 2004, and up to April 22, 2005, please be advised as follows:

(A) **PENDING OR THREATENED LITIGATION**

There is a pending lawsuit against the Cameron Parish Police Jury entitled *The Rutherford Estate Trust vs. Cameron Parish Police Jury and East Cameron Port Commission*, Docket No. 10-16136, filed in the 38<sup>th</sup> Judicial District Court of Cameron Parish, Louisiana, in June, 2002.

The suit seeks a permanent injunction from using a canal right-of-way and damages. A copy of the Petition is attached for your reference.

(B) **UNASSERTED CLAIMS AND ASSESSMENTS**

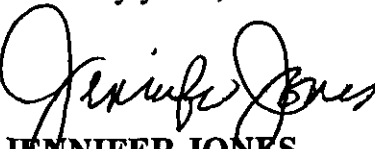
None, that I am aware of.



April 22, 2005  
Page 2

Should you need further information, please contact me.

Sincerely yours,



JENNIFER JONES

Enclosure

JJ/pk

cc: Mr. Darrell Williams - Cameron Parish Police Jury

THE RUTHERFORD ESTATE TRUST : 38<sup>TH</sup> JUDICIAL DISTRICT COURT  
:  
VERSUS NO. 10-16136 :  
:  
CAMERON PARISH POLICE JURY; :  
and EAST CAMERON PORT : STATE OF LOUISIANA  
COMMISSION :  
:  
FILED: :  
DEPUTY CLERK

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PETITION

The petition of THE RUTHERFORD ESTATE TRUST, respectfully represents:

1.

Made defendants herein are:

CAMERON PARISH POLICE JURY (hereinafter “CPPJ”), a Louisiana political subdivision that may be served through its President, Charles “Dusty” Sandifer, at 110 Smith Circle, Cameron, Louisiana, 70631; and  
  
EAST CAMERON PORT COMMISSION (hereinafter “Commission”), formerly known as the East Cameron Port, Harbor and Terminal District, a Louisiana political subdivision pursuant to La. R. S. 34:2501, et seq., that may be served through its Chairman, Albert Crain, at 110 Smith Circle, Cameron, Louisiana, 70631.

2.

The plaintiff is the owner of a sixty-two and one-half (62.5%) percent undivided interest in and to the following described property, to wit:  
  
The East Half of the West Half (E½ of W½) and the East Half (E½) of Fractional Section 17 lying South of Hog Bayou, and the East Half of the West Half (E½ of W½) and the East Half (E½) of Fractional Section 20, all in Township 15 South, Range 6 West, Louisiana Meridian.

(hereinafter “the Property”).

3.

By instrument dated June 10, 1969, and filed for record in the conveyance records of Cameron Parish, Louisiana, bearing Clerk’s File No. 118936, (hereinafter “the Servitude Agreement”) a copy of which is attached hereto as Exhibit “A” and incorporated herein by reference, plaintiff’s ancestors-in-title granted to the CPPJ a servitude and easement upon a portion of the Property for use in constructing, improving and maintaining a navigation and drainage canal not to exceed 200 feet in width, said servitude being more fully described as:

Tract "A"

Beginning at a point on the South line of Section 17, Township 15 South, Range 6 West, which is 500 feet East of the Northeast Corner of the Northwest Quarter of Northwest Quarter of Section 20, Township 15 South, Range 6 West, thence East 200 feet, thence due North to the South line of Mud Lake, thence West to a point which is due North of the point of beginning, thence due South to the point of beginning; and

Tract "B"

Beginning at a point on the North line of Section 20, Township 15 South, Range 6 West which is 500 feet East of the Northeast corner of the Northwest Quarter of Northwest Quarter of Section 20, Township 15 South, Range 6 West, thence East 200 feet, thence South to the Gulf of Mexico, thence in a Westerly direction following the meander of the Gulf of Mexico to a point which is due South of the Point of beginning, thence North to the point of beginning.

This canal has since become known as the Mermentau River and Gulf of Mexico Navigation Channel.

4.

The above described servitude was granted to the CPPJ for and in consideration of Sixteen Thousand and 00/100ths (\$16,000.00) Dollars "and the further benefits to accrue to the grantors in the added convenience for the use of said canal and the enhanced value that will result to adjacent lands as a result of the construction and maintenance of said canal."

5.

The above described servitude was granted subject to various conditions, including that all soil or earth removed from the right-of-way in the construction, maintenance or improvement of the canal shall be deposited on land on each side of the canal owned by plaintiff's ancestors-in-title, and now owned by plaintiff, in approximately equal proportions as near as economically feasible.

6.

By letter agreement dated May 28, 1969, a copy of which is attached hereto as Exhibit "B" and incorporated herein by reference, the CPPJ agreed to cause the right-of-way granted in the Servitude Agreement to be surveyed by the CPPJ to show the outer limits of the right-of-way and to provide markers on the east and west boundaries of the right-of-way, six (6) such markers on each boundary, to be installed and of a permanent nature and maintained during the life of the above described servitude.

7.

By instrument dated January 21, 1971, and filed for record in the conveyance records of Cameron Parish, Louisiana, bearing Clerk's File No. 124711, a copy of which is attached hereto as Exhibit "C" and

incorporated herein by reference, the CPPJ assigned all of its right, title and interest in and to the Servitude Agreement to the Commission.

8.

By instrument dated January 22, 1971, and filed for record in the conveyance records of Cameron Parish, Louisiana, bearing Clerk's File No. 124712, a copy of which is attached hereto as Exhibit "D" and incorporated herein by reference, plaintiff's ancestors-in-title amended the Servitude Agreement to increase the width of the right-of-way from 200 feet to a width of 350 feet.

9.

Despite the express provisions of the Servitude Agreement as amended, the CPPJ and the Commission, through their respective actions and inactions, have caused or allowed the canal to exceed the boundaries of the right-of-way by as much as several hundred feet in various locations causing severe damage to and loss of property to plaintiff, as well as ecological damages to plaintiff's property. Accordingly, plaintiff is entitled to a permanent injunction (i) prohibiting the CPPJ and the Commission from using the canal beyond the boundaries of the right-of-way as established in the Servitude Agreement as amended; (ii) prohibiting the CPPJ and the Commission from allowing the continued encroachment of the canal beyond the boundaries of the right-of-way and upon plaintiff's property; and (iii) directing the CPPJ and the Commission to take all actions necessary to reestablish the canal within the boundaries of the right-of-way, to restore to plaintiff the property lost through the canal's encroachment beyond the boundaries of the right-of-way, and to take all actions necessary to ensure the canal does not hereafter exceed the boundaries of the right-of-way.

10.

Further, despite the express provisions of the Servitude Agreement as amended, the CPPJ and the Commission, through their respective actions and inactions, have failed to deposit the soil or earth removed from the right-of-way in the construction, maintenance or improvement of the canal on the land on each side of the canal owned by plaintiff's ancestors-in-title, and now owned by plaintiff, thereby causing plaintiff, in whole or in part, the following non-exclusive damages:

- (i) loss of property through erosion;
- (ii) loss of use of property;

- (iii) loss of the enhanced value and benefits of its property resulting from the build up of deposited soil and earth thereon; and
- (iv) ecological damages, including loss of productivity, to plaintiff's land adjacent to the servitude.

Accordingly, plaintiff is entitled to a permanent injunction (i) directing the CPPJ and the Commission to take all actions necessary to reestablish the canal within the boundaries of the right-of-way, to restore to plaintiff the property lost through the canal's encroachment beyond the boundaries of the right-of-way, and to take all actions necessary to ensure the canal does not hereafter exceed the boundaries of the right-of-way; and (ii) directing the CPPJ and the Commission to take all action necessary to ensure that all soil or earth hereafter removed from the right-of-way be deposited on land on each side of the canal owned by plaintiff, its heirs, successors or assigns, in approximately equal proportions as near as economically feasible, in accordance with the terms of the Servitude Agreement as amended.

11.

Plaintiff is further entitled to damages for the CPPJ's and the Commission's failure to deposit the soil or earth removed from the right-of-way in the construction, maintenance or improvement of the canal on the land on each side of the canal owned by plaintiff, the amount of such damages to be determined at trial.

12.

Alternatively, defendants' failure to maintain the canal within the boundaries of the right-of-way as established by the Servitude Agreement as amended and defendants' allowing the canal to encroach upon and erode plaintiff's property, which encroachment and erosion continues and increases each day, constitutes a continuing trespass upon plaintiff's property. Plaintiff is entitled to a permanent injunction (i) prohibiting the CPPJ and the Commission from using the canal beyond the boundaries of the right-of-way as established in the Servitude Agreement as amended; (ii) prohibiting the CPPJ and the Commission from allowing the continued encroachment of the canal beyond the boundaries of the right-of-way and upon plaintiff's property; and (iii) directing the CPPJ and the Commission to take all actions necessary to reestablish the canal within the boundaries of the right-of-way, to restore to plaintiff the property lost through the canal's encroachment beyond the boundaries of the right-of-way, and to take all actions necessary to ensure the canal does not hereafter exceed the boundaries of the right-of-way, as well as to damages for the trespass, the amount of such damages to be proven at trial.

13.

Alternatively, the CPPJ and the Commission have and continue to use, operate and maintain the servitude in a negligent, unreasonable and unauthorized manner, by causing or allowing the canal to exceed the boundaries of the right-of-way by as much as several hundred feet in various locations causing severe damage to and loss of property to plaintiff, as well as ecological damages to plaintiff's property.

14.

Plaintiff is entitled to damages for the CPPJ's and the Commission's negligent, unreasonable and unauthorized use, operation and maintenance of the servitude, the amount of such damages to be proven at trial.

15.

Alternatively, the CPPJ and the Commission were and continue to be negligent in the construction, maintenance and improvement of the servitude by causing or allowing the canal to exceed the boundaries of the right-of-way by as much as several hundred feet in various locations causing severe damage to and loss of property to plaintiff, as well as ecological damages to plaintiff's property, thereby breaching their general legal duty to cause the least possible damage to plaintiff's property. The CPPJ's and the Commission's breach of their general legal duty to cause the least possible damage to plaintiff's property constitutes a continuing tort, as the loss of property to plaintiff through encroachment and erosion by the canal continues and increases each day.

16.

Plaintiff is entitled to damages for the CPPJ's and the Commission's breach of their general legal duty to cause the least possible damage to plaintiff's property, the amount of such damages to be proven at trial.

17.

Plaintiff has made amicable demand upon the CPPJ and the Commission, but to no avail.

WHEREFORE, plaintiff, THE RUTHERFORD ESTATE TRUST, prays that:

I. Defendants, the CAMERON PARISH POLICE JURY and the EAST CAMERON PORT COMMISSION, formerly known as the Cameron Parish Port, Harbor and Terminal District, be served with a copy of this Petition and be duly cited to appear and answer same; and

II. After due proceedings had, there be judgment against the defendants and in favor of plaintiff:

A. Granting a permanent injunction in favor of plaintiff and against defendants (i) prohibiting the CPPJ and the Commission from using the canal beyond the boundaries of the right-of-way as established in the Servitude Agreement as amended; (ii) prohibiting the CPPJ and the Commission from allowing the continued encroachment of the canal beyond the boundaries of the right-of-way and upon plaintiff's property; (iii) directing the CPPJ and the Commission to take all actions necessary to reestablish the canal within the boundaries of the right-of-way, to restore to plaintiff the property lost through the canal's encroachment beyond the boundaries of the right-of-way, and to take all actions necessary to ensure the canal does not hereafter exceed the boundaries of the right-of-way; and (iv) directing the CPPJ and the Commission to take all action necessary to ensure that all soil or earth hereafter removed from the right-of-way be deposited on land on each side of the canal owned by plaintiff, its heirs, successors or assigns, in approximately equal proportions as near as economically feasible, in accordance with the terms of the Servitude Agreement as amended;

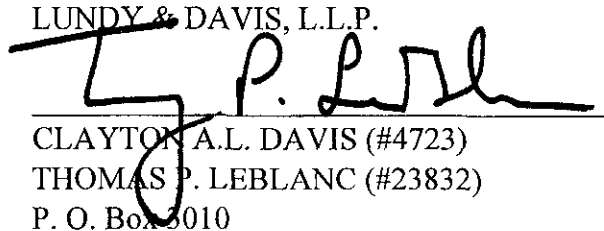
B. Awarding damages to plaintiff in such amounts as may be proven at trial; and

C. Awarding plaintiff all costs of these proceedings and such other relief as this Court may deem equitable in the premises.

Respectfully submitted,

LUNDY & DAVIS, L.L.P.

BY:

  
CLAYTON A.L. DAVIS (#4723)  
THOMAS P. LEBLANC (#23832)  
P. O. Box 3010  
Lake Charles, Louisiana 70602  
(337) 439-0707  
(337) 439-1029 [FAX]

**Please serve:**

CAMERON PARISH POLICE JURY,  
Charles "Dusty" Sandifer, President  
110 Smith Circle  
Cameron, Louisiana, 70631

EAST CAMERON PORT COMMISSION  
Albert Crain, Chairman  
110 Smith Circle  
Cameron, Louisiana, 70631